



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

EMPLOYMENT TRENDS

The U.S. economic slowdown nudged the Panhandle's seasonally adjusted unemployment rate from 8.5 percent in January to 8.6 percent in February. The previous February, the unemployment rate was 7.7 percent. Preliminary signs suggest that the Panhandle's economy may be approaching a turning point, so many people believe February's unemployment rate could be nearly the highest unemployment rate the Panhandle will see.

Meanwhile, every Panhandle county is experiencing high unemployment. The Panhandle's largest county, Kootenai County, endured the region's largest increase in unemployment. Job losses in manufacturing, tourism, retail, temporary employment agencies, and nonprofit organizations—added to job losses in Spokane County, where many Kootenai County residents work—pushed the seasonally adjusted unemployment rate from 7.0 percent in February 2001 to 8.5 a year later. Benewah County's seasonally adjusted unemployment rate, which was 9.4 percent in February 2001, rose to 10.2 percent this February, as the county's economic doldrums took a toll. Bonner County's unemployment rate was 7.7 percent in February 2001. A year later, job losses in lumber, other manufacturing, and retail operations pushed the unemployment rate to 8.2 percent. Bonner County's unemployment rate is expected to rise in March, when the full effect of the Coldwater Creek layoff of 150 employees will be felt. Shoshone County's unemployment rate eased down slightly from 11.2 percent in February 2001 (when the county's largest employer, the Sunshine Mine, closed) to a still staggering 11.0 percent a year later. Boundary County's unemployment rate moved down from 9.7 percent in February 2001, when its forest products industry was in turmoil, to 7.3 percent in February 2002 after the lumber market stabilized.

Month-over-Month Changes: The job decreases in *Nonfarm Payroll Jobs* between January and February, shown in Panhan-

Panhandle Table 1: Labor Force & Employment

| | Feb 2002* | Jan 2001 | Feb 2001 | % Change From | |
|-------------------------------------|--------------|-------------|-------------|---------------|--------------|
| | | | | Last Month | Last Year |
| INDIVIDUALS BY PLACE OF RESIDENCE | | | | | |
| Seasonally Adjusted | | | | | |
| Civilian Labor Force | 92,960 | 92,300 | 88,670 | 0.7 | 4.8 |
| Unemployed | 8,020 | 7,860 | 6,820 | 2.0 | 17.6 |
| % of Labor Force Unemployed | 8.6 | 8.5 | 7.7 | | |
| Total Employment | 84,940 | 84,440 | 81,850 | 0.6 | 3.8 |
| Unadjusted | | | | | |
| Civilian Labor Force | 91,800 | 91,470 | 87,510 | 0.4 | 4.9 |
| Unemployed | 10,640 | 9,890 | 9,360 | 7.6 | 13.7 |
| % of Labor Force Unemployed | 11.6 | 10.8 | 10.7 | | |
| Total Employment | 81,160 | 81,580 | 78,150 | -0.5 | 3.9 |
| JOBS BY PLACE OF WORK | | | | | |
| Nonfarm Payroll Jobs** | | | | | |
| Goods-Producing Industries | 12,530 | 12,630 | 13,400 | -0.8 | -6.5 |
| Mining | 530 | 530 | 870 | 0.0 | -39.1 |
| Construction | 3,690 | 3,830 | 3,770 | -3.7 | -2.1 |
| Manufacturing | 8,310 | 8,270 | 8,760 | 0.5 | -5.1 |
| Lumber & Wood Products | 3,960 | 3,980 | 4,120 | -0.5 | -3.9 |
| All Other Manufacturing | 4,350 | 4,290 | 4,640 | 1.4 | -6.3 |
| Service-Producing Industries | 52,700 | 52,900 | 50,460 | -0.4 | 4.4 |
| Transportation | 1,350 | 1,390 | 1,340 | -2.9 | 0.7 |
| Communication & Utilities | 1,060 | 1,060 | 1,080 | 0.0 | -1.9 |
| Wholesale Trade | 2,060 | 2,050 | 2,080 | 0.5 | -1.0 |
| Retail Trade | 13,970 | 14,140 | 14,100 | -1.2 | -0.9 |
| Finance, Insurance & Real Estate | 2,710 | 2,670 | 2,470 | 1.5 | 9.7 |
| Service & Miscellaneous | 17,120 | 17,310 | 15,350 | -1.1 | 11.5 |
| Government Administration | 8,820 | 8,850 | 8,390 | -0.3 | 5.1 |
| Government Education | 5,610 | 5,430 | 5,650 | 3.3 | -0.7 |

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

dle Table 1, were similar to the decreases that occur every year between January and February, as retail establishments cut jobs after the post-Christmas sales, winter tourism begins to slow, and spring break-up begins making forest roads impassable for loggers. February always is the month of lowest employment in the Idaho Panhandle.

Year-over-Year Changes: As Panhandle Table 1 shows, *Goods-Producing Industries* endured the largest job losses between February 2001 and February 2002. *Mining* lost 340 jobs, falling to its lowest level in more than 110 years. Low mortgage rates buoyed residential construction, but nonresidential construction fell enough to cause *Construction* to lose 80 jobs. The Panhandle's traditional mainstay industry, *Lumber & Wood Products*, lost 60 jobs during the 12-month period after losing 300 jobs during the previous 12 months. Like the rest of the U.S., the Panhandle has been losing manufacturing jobs since the fall of 2000. *All Other Manufacturing* peaked at 4,700 jobs in November 2000, fell to 4,640 jobs in February 2001, and then fell to 4,350 jobs by February 2002. *Manufacturing* sectors experiencing the greatest job losses were electronic assembly, metal products, newspaper publishing, furniture, and plastics.

Service-Producing Industries added 2,240 jobs between February 2001 and February 2002, which offset the 870 jobs lost by *Goods-Producing Industries*. Two companies added nearly 1,700 jobs of those 2,240 jobs. One was Center Partners, which opened a call center in Coeur d'Alene in March 2001 and a call center in Post Falls in January 2002. Wal-Mart added about 520 *Retail Trade* jobs between January's opening of Wal-Mart in Post Falls and last summer's expansion of Wal-Mart in Sandpoint. Without the openings and expansions of Center Partners and Wal-Mart, the Panhandle would have lost 330 jobs instead of gaining 1,370 jobs.

Explaining A Seeming Discrepancy: How could the Panhandle gain 1,370 payroll jobs and still add 1,280 people to the rolls of the unemployed? There are two major reasons: (1) the increase in the Panhandle's labor force was far larger than the job growth, and (2) losses of payroll jobs in Spokane County, where many Kootenai and Bonner County residents work, put some of those counties' residents out of work.

SPECIAL TOPIC

Tribal Re-Classification Boosts Government Employment

Observant readers of this newsletter may have noted that the *Government Administration* category shown in Panhandle Table 1 is more than 1,000 jobs higher than what we reported prior to February. The jump in *Government Administration* resulted from a change in classification of Indian tribes from the private-sector to government, as required by new standards of the U.S. Bureau of Labor Statistics. Starting with the publication of January 2002 numbers, we began classifying tribal operations as governmental entities. Prior to the change, jobs at tribal operations were counted in the private sector and showed up in the appropriate industrial sectors. For example, the tribe's lodging, amusement, health care, educational, and tribal management jobs showed up in *Services*, while their store jobs showed up in *Retail Trade*. Their farm jobs were not included in *Nonfarm Payroll Jobs*.

All of the statistics in Panhandle Table 1, not just this year's numbers but also last year's numbers, reflect the change in classification. The *Government Administration* statistics for February 2002, January 2002, and February 2001 all include the 1,100 jobs with the Coeur d'Alene and Kootenai Tribes. The Coeur d'Alene Tribe employs nearly 400 people at its headquarters, school, retail stores, Benewah Medical & Wellness Center, farm, and other operations in Benewah County and more than 500 people at its casino, hotel, and convenience store in Kootenai County. The Kootenai Tribe employs more than 200 people at the Kootenai River Inn & Casino and other tribal operations in Boundary County. The Pacific Northwest Fiberboard plant in Plummer, which the tribe and two partners own, is not included in *Government Administration*; it continues to be classified as a private-sector manufacturing business.

Government Administration always included federal, state, and local government establishments except school districts and colleges, and now it includes all tribal estab-

lishments, even the Coeur d'Alene Tribe's school in DeSmet and the Coeur d'Alene Tribe's farm. In February 2002, the federal government employed about 1,100 people, state government employed about 1,300 people, and local government establishments excluding the tribes, community hospitals, and schools employed about 3,100 people.

Government Administration always has included the jobs at the Panhandle's five community hospitals: Benewah Community Hospital in St. Maries (employing an estimated 120 people in February 2002); Bonner General Hospital in Sandpoint (350); Boundary Community Hospital in Bonners Ferry (170); Kootenai Medical Center in Coeur d'Alene (1,480); and Shoshone Medical Center in Kellogg (110).

AREA DEVELOPMENTS

Benewah County

- Regulus Stud Mill, a St. Maries lumber mill, will build a new dry kiln this year to replace its two existing dry kilns. Timber communities such as St. Maries always are pleased to see mills making investments to update their equipment. Regulus employs about 100 people.

Bonner County

- Just a month after it completed its first successful recruitment of a business to the Sandpoint area, the Bonner County Economic Development Corp. announced that it had persuaded a Texas manufacturer to move to Sandpoint. R.J. Klein & Company, a manufacturer of wooden house wares including serving trays and wine racks, will move from San Antonio to Sandpoint in April. It initially will employ three Sandpoint residents and expects to hire three to four more during the next year. Sandpoint Job Service has facilitated the company's move by providing office space where R.J. Klein & Company could interview prospective employees and vendors.

Kootenai County

- New businesses in Hayden include Johnny's Original Pizza and Deli serving brick oven pizza, deli sandwiches, and cheesecake at 285 West Hayden Avenue, and The Produce Guys, selling fresh vegetables, fruit, and gourmet foods at 100 West Prairie Avenue.
- Coeur d'Alene recently welcomed the following new businesses: Dig In Outfitters, selling hunting and fishing supplies and offering guided trips from 2425 Government Way; Preferred Medical, a home oxygen and medical equipment company at 1101 Ironwood Drive; Your Daily Fix, a coffee stand at the corner of Government Way and Seale Avenue; a Verizon Wireless outlet at the Silver Lake Mall; and Links for You, selling Italian charm bracelets at the Silver Lake Mall.

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